(b) if so, the details thereof;

(c) whether this diminishes the revenue earnings of these institutions hampering its financial stability;

(d) whether Government considers waiving off the tax on buildings owned by these institutions; and

(e) if so, what is Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) to (c) Service tax is leviable on renting of immovable property by any person for use in the course of furtherance of business or commerce [section 65(105)(zzzz) of the Finance Act, 1994] w.e.f. 01.06.2007. Person means any legal person including Local Self Government Institutions. Service tax is an indirect tax and a tax on consumption of service. The impact of service tax is, therefore, on the consumer of service *i.e.* the person who has taken the immovable property on rent for business or commercial use, and not on the service provider namely the Local Self Government Institutions. Service provider is only an agent to collect service tax and deposit with the Government.

(d) and (e) There is no proposal under the consideration of the Government to exempt Local Self Government Institutions from service tax on services provided in relation to renting of immovable property for use in the course or furtherance of business or commerce.

Consolidation of Public Sector Banks

2399. SHRI D. RAJA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the major trade unions of all Public Sector Banks have opposed the idea of consolidation of Banks in India by the method of bringing all the associate banks under the State Bank of India umbrella; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Associations/Unions of the officers/employees of some Associate Banks of State Bank of India (SBI) have expressed reservations against merger/modalities of merger of these banks with SBI. Government is of the view that any proposal for consolidation, by way of merger etc., of one public sector bank with another pupblic sector bank, should emanate from the concerned banks with Government playing a supportive role. While considering any such merger proposal, Government keeps in view the interests of all stakeholders, including employees of merging banks.

Rise and Fall in Sensex

†2400. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware of the continuous fluctuations in the Sensex of the stock market resulting in possible impact on the general public;

(b) whether Government has constituted any committee to have a control over it; and

(c) if so, the details thereof?

† Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Sensex moves up or down depending on the changing perceptions of investors — domestic and overseas, retail and institutional — about the economy, the sector and the company. This perception is influenced by many factors including the macro-economic environment, the growth potential of the economy, policy credibility of the Government, corporate performance, domestic and international events and market sentiments. The recent movement in the stock markets is attributed among other factors, to the sub-prime mortgage crisis in the US, change in the monetary stance of developed countries, the expected recession in US, firming up of oil prices, Yen carry trade, the policy measures on Offshore Derivative Instruments by SEBI, impact of primary market issues, relative valuations in emerging markets etc.

(b) and (c) The authorities do not try to manage or control movement of stock indices. They have put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems instituted include advanced risk management mechanisms comprising on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc. The systems and practices are reviewed continuously and modified to meet emerging needs. Measures taken to broaden and deepen markets include screen based trading system, dematerialization of securities, corporatization and demutualization of exchanges, settlement through clearing corporation, trading in derivatives, etc. Besides, SEBI maintains a constant vigil in the market, and in case of any abnormality, takes appropriate action against the concerned entities. SEBI and market participants are undertaking massive awareness programmes to educate investors about the precautions they need to take while dealing in securities and how to seek redressal of their grievances.

Waiving off debts by nationalized banks

†2401. SHRI LALIT KISHORE CHATURVEDI : Will the Minister of FINANCE be pleased to state:

(a) whether the recovery of debts by the nationalized banks has been waived off;

(b) if so, the details thereof;

(c) the details of the debtors getting exemption/concession in the recovery of the debt and amount involved during the last three sessions including the current one; and

(d) the details of the persons/firms getting exemption of more than one lakh rupees during the last three years including the current year, bank-wise/State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The banks write off amounts in Non-Performing Asset (NPA) accounts in accordance with their board approved policies and Reserve Bank of India (RBI) guidelines, either as part of compromise settlement with the borrowers or where the debt has been classified as a 'loss' asset.

(c) and (d) During the first three quarters of current financial year (2007-08), the nationalised banks have written off a total amount of Rs. 3,076 crore in NPA accounts. In accordance with the practices and usages customary amongst the banks and in conformity

† Original notice of the question was received in Hindi.